STATE OF CALIFORNIA BUSINESS, TRANSPORTATION AND HOUSING AGENCY DEPARTMENT OF CORPORATIONS

TO: MIKE LOPEZ
CHEX CHECK CASHING
MIKE LOPEZ DBA CHEX CHECK CASHING
5304-A Monterey Road
San Jose, California 95111

DESIST AND REFRAIN ORDER (For violations of California Financial Code section 23005)

The California Corporations Commissioner finds that:

- 1. Mike Lopez ("Lopez") is, and was at all relevant times herein, an individual doing business as Chex Check Cashing ("Chex"). Lopez, Chex and Mike Lopez dba Chex Check Cashing (all hereinafter referred to as "Lopez") have a place of business located at 5304-A Monterey Road, San Jose, California 95111.
- 2. Neither Lopez, in his individual name or doing business as Chex, nor Chex Check Cashing as an entity have been issued a license by the California Corporations Commissioner ("Commissioner") to engage in the business of deferred deposit transactions under the California Deferred Deposit Transaction Law ("CDDTL") (California Financial Code §§ 23000 et seq.).
- 3. Lopez has engaged in the business of deferred deposit transactions by originating deferred deposit transactions as described below.
- 4. A deferred deposit transaction is a written transaction whereby one person gives funds to another person upon receipt of a personal check and it is agreed that the personal check shall not be deposited until a later date.
- 5. Lopez is not exempt from the licensing requirements of California Financial Code section 23005.
- 6. Lopez was specifically aware that a CDDTL license was required in order to engage in the business of deferred deposit transactions as Lopez had received a written notice to this effect from the Commissioner on or about February 8, 2005.

- 7. Lopez failed to respond to the Commissioner's February 8th letter. On April 12, 2005, after the Commissioner's representative contacted Lopez he admitted that he had received the Commissioner's letter but engaged in deferred deposit business from December 31, 2004 and continuing to April 12, 2005. At that time the Commissioner's representative informed him to cease deferred deposit business until a license was obtained. Lopez claimed that he submitted a short form license application for a CDDTL license and bond to the Commissioner in January 2005. However, there is no evidence of such application or bond. No CDDTL license had ever been issued to Lopez. Both the communications on February 8 and April 12, 2005, specifically informed Lopez that he could not engage in the business of deferred deposit transactions unless and until he obtained a CDDTL license from the Commissioner.

 8. On several occasions during 2005 the Commissioner's Corporations Examiners
- 8. On several occasions during 2005 the Commissioner's Corporations Examiners requested access to examine the records of Lopez. Lopez failed to provide adequate access to the Corporations Examiners even though Lopez reported he had originated at least 20 deferred deposit transactions per month.
- 9. On March 11, 2004, Lopez submitted both a long form application and a short form application for a CDDTL license at the same address, 5304-A Monterey Road, San Jose, California 95111. On April 4, 2005, Lopez was sent a deficiency letter regarding these applications and again was notified by the Commissioner to cease CDDTL activity unless licensed to do so.
- 10. On May 25, 2005, Corporations Examiners visited 5304-A Monterey Road, San Jose, California 95111 to conduct an investigation into unlicensed CDDTL activity. However, Lopez did not give access to deferred deposit transaction records. Lopez admitted that he was aware that he had been instructed to cease engaging in deferred deposit transactions but that he had in fact engaged in such transactions about a week or two prior to the examiners' visit.
- 11. No CDDTL license had ever been issued to Lopez. Notwithstanding numerous notifications regarding the licensure requirement, Lopez willfully and knowingly continues to engage in deferred deposit business without a license from the Commissioner.

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By reason of the foregoing, Mike Lopez, Chex Check Cashing and Mike Lopez dba Chex Check Cashing have engaged in the business of deferred deposit transactions without having first obtained a license from the Commissioner in violation of California Financial Code section 23005.

Pursuant to California Financial Code section 23050, Mike Lopez, Chex Check Cashing and Mike Lopez dba Chex Check Cashing are hereby ordered to desist and refrain from engaging in the business of deferred deposit transactions in the State of California without first obtaining a license from the Commissioner, or otherwise being exempt. This Order is necessary, in the public interest, for the protection of consumers and is consistent with the purposes, policies and provisions of the California Deferred Deposit Transaction Law. This order shall remain in full force and effect until further order of the Commissioner.

California Financial Code section 23050 provides in pertinent part:

Whenever, in the opinion of the commissioner, any person is engaged in the business of deferred deposit transactions, as defined in this division, without a license from the commissioner . . . the commissioner may order that person or licensee to desist and to refrain from engaging in the business If, within 30 days, after the order is served, a written request for a hearing is filed and no hearing is held within 30 days thereafter, the order is rescinded.

Dated: July 20, 2005 Los Angeles, CA

WAYNE STRUMPFER
Acting Corporations Commissioner

By_____ Steven C. Thompson Special Administrator California Deferred Deposit Transaction Law